



# THE FINANCES

## FINANCIAL STRATEGY AND GROWTH FORECAST

The financial foundation of LERO is built on strategic investments in research and development, facilities, and staffing, along with a focus on premium pricing and scalable operations. This chapter outlines the financial strategy over the next three years, including start-up investments, revenue projections, operating costs, and profitability targets.

LERO's goal is to create a sustainable business model that balances significant up-front investments with a scalable service offering, leveraging the niche market for space memorials. By focusing on premium services and expanding its reach through strategic partnerships, LERO aims to achieve profitability while maintaining the highest standards for its customers.

The following sections will detail the pro forma financial statements, cost structure, and break-even analysis, providing a comprehensive view of the company's financial outlook.

### 1 START-UP INVESTMENT

The start-up phase for LERO is critical to establishing a strong foundation for growth, requiring an initial investment of around **EUR 5 million to 7 million**. This investment will be directed towards the research and development of our innovative capsule and high-altitude balloon, setting up facilities in both Liechtenstein and Italy, and staffing key roles to ensure seamless operations. Travel during this phase will also be necessary to oversee the setup in both locations.

#### Key Investment Areas

The investment is broken down into four major categories:

1. **Research & Development:** R&D efforts will focus on the development of the capsule and balloon system, including prototyping, testing, and refinement.
2. **Facilities Setup:** LERO will establish its headquarters in Liechtenstein, along with a manufacturing and R&D facility in Italy.

3. **Staffing:** A high priority will be placed on hiring top talent in Italy to lead the development and manufacturing, with competitive salaries offered to attract and retain skilled engineers and technicians.
4. **Travel Costs:** Frequent travel will be necessary during the start-up phase to oversee operations and ensure smooth progress.

The following tables offer a breakdown of the start-up investment.

### 1.1 Research & Development Costs (Capsule and High-Altitude Balloon)

The R&D costs for the capsule and high-altitude balloon are based on industry-standard estimates for developing advanced aerospace components. These include costs for prototyping, testing, and refinement, which typically range from €1.8 million to €2.7 million for the capsule and €1.4 million to €1.9 million for the high-altitude balloon. The specific costs are influenced by similar projects in the aerospace sector that involve innovation and durability testing in extreme conditions.

Fig. 36: Overview of Estimated Costs for R&D

COST COMPONENT	DESCRIPTION	ESTIMATED COST (EUR)
Capsule Design and Prototyping	Design, prototyping, testing for capsule features; and refinement	1,800,000 – 2,700,000
High-Altitude Balloon Development	R&D, durability testing, and precision release design	1,400,000 – 1,900,000
<b>Total R&amp;D Costs</b>		<b>3,200,000 – 4,600,000</b>

Source: Aerospace industry R&D cost benchmarks and public data from aerospace projects (e.g., SpaceX). Estimates derived from publicly available financial statements and industry publications on high-altitude and satellite technology costs.

## 1.2 Facilities Setup (Liechtenstein and Italy)

The facilities setup costs are based on typical office rental prices in **Liechtenstein**, a high-cost area, and manufacturing facility costs in **Italy**, which are lower, particularly in industrial zones outside major cities. Renting a small office in Liechtenstein is estimated at EUR 60k – EUR 100k annually, while facility setup in Italy ranges between EUR 700k and EUR 1 million based on available industrial space and the need for specialized equipment.

Fig. 37: Overview of Estimated Costs for Facilities

COST COMPONENT	DESCRIPTION	ESTIMATED COST (EUR)
Liechtenstein Headquarters	Small representation office	60,000 – 100,000 annually
Italy Manufacturing Facility	Facility rental and equipment purchase for R&D	700,000 – 1,000,000
<b>Total Facilities Setup Costs</b>		<b>760,000 – 1,100,000</b>

Source: Office rental data from real estate reports for Liechtenstein and industrial facility rental market data in Italy. Estimates derive from regional real estate listings, industrial market reports (e.g., CBRE's European market outlook), and publicly available facilities cost benchmarks.

## 1.3 Staffing and Infrastructure (Including Employer Contributions)

Staff salaries are based on competitive market rates for engineers and technical staff in Italy, with higher-than-average salaries for engineers (software, electrical, and space) to attract top talent. For remote roles, including client relations, communications, and marketing, salaries are aligned with mid-level positions in Western Europe. Employer contributions (30%-40% in Italy, 12%-15% in Liechtenstein) are factored into the total cost.

Fig. 38: Overview of Estimated Costs for Human Resources

LOCATION	ROLE	NUMBER OF STAFF	ANNUAL SALARY (EUR)	EMPLOYER CONTRIBUTIONS (EUR)	TOTAL ANNUAL COST (EUR)
<b>Italy (R&amp;D)</b>	Software Engineers	1	80,000	24,000 – 32,000	104,000 – 112,000
	Electrical Engineers	1	80,000	24,000 – 32,000	104,000 – 112,000
	Space Engineers	1	80,000	24,000 – 32,000	104,000 – 112,000
<b>Total Italy Staffing</b>		<b>3 people</b>			<b>312,000 – 336,000</b>
<b>Liechtenstein (HQ)</b>	<b>Founder</b>	<b>1</b>	120,000	14,400 – 18,000	<b>134,400 – 138,000</b>
<b>Remote (HQ)</b>	Client and Partner Relations	1	55,000	16,500 – 22,000	71,500 – 77,000
	Comms. and Marketing	1	55,000	16,500 – 22,000	71,500 – 77,000
<b>Total Remote Staffing</b>		<b>2 people</b>			<b>143,000 – 154,000</b>
<b>+ Staff Infrastructure</b>		Laptop, software, mobile phone, etc. for 6 staff			14,000
<b>Total Staffing Costs</b>		<b>6 people</b>			<b>603,000 – 642,000</b>

Source: Salary estimates are based on reports from Payscale, Glassdoor, and other European salary benchmarking tools. Employer contributions come from data on social security and tax requirements for businesses operating in Italy and Liechtenstein, e.g. INPS. Estimates derive from payscale reports, European salary benchmarking studies, and publicly available national social security data.

### Explanation

- Italy: 3 engineers covering software, electrical, and space expertise during the start-up phase.
- Liechtenstein: The founder, as the only person physically based in Liechtenstein.
- Remote: 1 person handling both client and partner relations, and 1 person for communications and marketing, categorized under the Liechtenstein HQ but working remotely.

## 1.4 Travel Costs

The travel costs between Liechtenstein, Switzerland, Austria, Germany, and Italy are calculated based on average airfare or train costs, hotel stays, and daily expenses for meals and local transport. These estimates are based on frequent travel for business purposes in the region and typical corporate travel costs.

Fig. 39: Overview of Estimated Costs for Travel

COST COMPONENT	ESTIMATED TRIPS	COST PER TRIP (EUR)	TOTAL ANNUAL COST (EUR)
Travel (Liechtenstein, Switzerland, Austria, Germany, Italy)	36 trips (3/month)	800	28,800

Source: Average airfare and travel data from websites like Skyscanner and train fares from European train operators (e.g., Trenitalia, SBB). Hotel and per diem rates are based on typical corporate travel expenses. Estimates derive from corporate travel cost benchmarks and publicly available travel expense reports from industry studies.

## 1.5 Additional Start-up Costs

To ensure LERO's successful launch, the additional start-up costs need to be included. These cover key areas such as certifications, consulting fees, insurance, marketing, and web development. Estimates are based on industry benchmarks for aerospace start-ups, as well as average costs for professional services in Europe. Marketing costs, including SEO, SEM, social media

ads, and event planning, have been revised to reflect a robust, multi-channel campaign, ensuring high visibility for the brand. Web development fees account for a polished website, ongoing SEO optimization, and analytics tools, based on typical costs for premium web services. The following table offers an overview of these additional categories.

Fig. 40: Additional Cost Breakdown

COST COMPONENT	DESCRIPTION	ESTIMATED COST (EUR)
Certifications and Licenses	Certifications for aerospace activities	30,000 – 50,000
Consulting Fees	External consultancy for R&D, legal, business advice	50,000 – 100,000
Insurance	Operational insurance coverage	50,000 – 100,000 annually
Marketing	Brand Identity, initial multi-channel marketing campaigns, and PR	250,000 – 400,000
Professional Fees (Accounting, Legal)	Professional services for accounting, legal, etc.	50,000 – 80,000
Utilities, Office Supplies, Phone/Internet	Utilities, supplies, communications services	20,000 – 30,000
Web Fees	Website design and development, hosting, SEO tools, web management, and maintenance	50,000 – 100,000
<b>Total Additional Costs</b>		<b>500,000 – 860,000</b>

Sources: Aerospace industry data, professional fee benchmarks from European firms, and public data from digital marketing and web development platforms like SEMrush, Google Ads, and industry marketing reports.

## 1.6 Summary of Start-up Investment

The total start-up investment for LERO is projected to range between EUR 5 million and EUR 7 million (rounded up). This includes essential R&D for the capsule and balloon, facility setup in Liechtenstein and Italy, competitive staffing, and necessary travel for business operations. This strategic investment forms the foundation for LERO's growth and long-term success.

Fig. 41: Total Start-up Investment Amount

CATEGORY	ESTIMATED COST (EUR)
Research & Development	3,200,000 – 4,600,000
Facilities Set-up	760,000 – 1,100,000
Staffing Costs (1 Year)	603,000 – 642,000
Travel Costs (Set-up Phase)	28,800
Additional Costs	500,000 – 860,000
<b>Total Start-up Investment</b> (rounded up to the nearest hundred thousand)	<b>5,100,000 – 7,200,000</b>

## 1.7 Funding Options

To cover the start-up investment of EUR 5.1 million to EUR 7.2 million, LERO will explore the following funding sources:

**Crowdfunding:** Launching a crowdfunding campaign on platforms such as **Kickstarter** or **Indiegogo**, focusing on the emotional impact and innovative nature of space memorials. Crowdfunding can also serve as a way to gauge public interest and build a community around the project.

**Equity Crowdfunding:** Using platforms like **Seedrs** or **Crowdcube** to offer investors equity in LERO in exchange for their investment. This approach allows for a larger base of small investors who believe in the company's mission and want to support it financially while gaining shares.

**Angel Investors:** Targeting angel investors with a passion for the space industry and sustainability. Platforms like **Angellist** or the **European Angels Network (EBAN)** can help connect LERO with individual investors who provide funding in exchange for equity.

**Venture Capital:** Engaging with venture capital firms, particularly those focused on technology and space innovation. Firms like **Space Angels** or **Seraphim Capital**, which specialize in space-related start-ups, could be key players in securing significant investment.

**Grants and Public Funding:** Applying for European Union grants, such as **Horizon Europe**, which funds innovative and sustainable technology projects. Additionally, **ESA's Business Incubation Centres (BICs)** offer financial support and mentorship to space-related start-ups.

By leveraging these funding sources, LERO can secure the capital it needs while also creating a strong network of investors and supporters.

## 2 LERO SERVICE PACKAGES AND PRICING STRATEGY

LERO's pricing strategy is designed to reflect the premium and highly customizable nature of its unique space memorial services. The company offers four distinct service packages, with starting prices based on the core services offered, but each package can be tailored according to the customer's preferences and specific event requirements. The pricing ranges from the minimalist **GAIA Small Launch Package** (EUR 15,000) to the luxurious **OLYMPUS Premium Full-Service Package** (starting at EUR 50,000).

## 2.1 OLYMPOS Premium Full-Service Package

### **Price to public: starting at EUR 50,000**

The **OLYMPOS Package** includes exclusive features like personalized containers for ashes, bioglitter, and a professionally edited memorial video, but the total cost can vary depending on customer choices for elements such as catering, music, decorations, and even entertainment, such as live bands or DJs. This flexibility ensures that every client can create a fully personalized and unique memorial event. For example, some clients may choose an intimate gathering with simple music, while others may prefer a larger event with live performers and professional photographers. This flexibility is why the pricing for the OLYMPOS, and other premium packages is presented as “starting at” EUR 50,000, rather than a fixed rate.

## 2.2 ATLAS Standard Launch Package

### **Price to public: starting at EUR 30,000**

The **ATLAS Package** offers a balanced option for families wanting an elegant yet more affordable space funeral event. This tiered pricing structure allows LERO to cater to a range of budgets while maintaining its position as a premium provider of memorial services.

## 2.3 GAIA Small Launch Package

### **Price to public: EUR 15,000**

The **GAIA Package** is the only package with a fixed rate due to its more minimalist and streamlined nature. This offering covers the core services of ash scattering and recording.

## 2.4 LEGACY Pre-Planner Package

### **Price to public: starting at EUR 15,000**

The **LEGACY Package** allows individuals to pre-arrange their own space memorial with the same degree of customization as the OLYMPOS package. Importantly, it comes with **guarantees** that the event will be held in the future according to the individual's wishes, and the package requires **payment in advance** to secure the memorial.

Additional services such as personalized bioglitter (starting at EUR 100) and memorial videos (EUR 3,000) enhance the overall experience and allow clients to add further personal touches to their loved one's space memorial. With this tiered, flexible pricing model, LERO ensures that every customer can curate a bespoke, meaningful experience while still being transparent about the starting costs.

## 3 PRO FORMA FINANCIAL STATEMENTS

LERO's pro forma financial statements outline the company's projected financial performance **over the next three years**. These projections are based on the company's pricing strategy, cost structure, and anticipated number of launches. The statements include an income statement (profit & loss), a balance sheet, and a cash flow statement, reflecting the company's financial position and outlook as it moves from development to full operation.

LERO's core revenue streams will come from four primary service packages, ranging from EUR 15,000 for the minimalist GAIA package to EUR 50,000 for the OLYMPOS premium full-service package. Additional revenue will be generated from personalized services, such as customized ash containers, bioglitter, and memorial videos. The financial projection assumes a gradual increase in launch numbers as the brand builds its presence in the market.

LERO also plans to establish partnerships with crematoriums and funeral homes, offering commissions for every new client brought in. These partnerships are expected to contribute to LERO's growth in the future, though no direct calculations for commissions have been included in the financial projections at this stage, as the partnerships may take time to establish.

### 3.1 Income Statement (Profit & Loss)

The income statement includes projected revenue based on premium service offerings, the cost of providing these services, and operating expenses:

**Revenue Projections:** Revenue is estimated based on the pricing of each service package. Over the next three years, LERO anticipates gradual market penetration with an increasing number of customers opting for high-end services.

**Cost of Goods Sold (COGS):** COGS reflects the direct costs involved in each launch event, including capsule production, high-altitude balloon expenses, bioglitter, livestreaming technology, and event coordination.

**Operating Expenses:** This section includes fixed costs such as salaries, rent, marketing, professional services (legal, accounting), insurance, and ongoing R&D efforts.

**Gross Profit and Net Profit:** Gross profit is calculated by subtracting COGS from revenue. Net profit is the remaining amount after operating expenses are deducted from gross profit. LERO projects profitability to increase over the 3-year period as fixed costs stabilize and sales grow.

#### 3.1.1 Revenue Projections

The revenue for the next three years is based on projected sales of service packages and additional services.

**Year 1**

Assumption: 2 launches (assume 1 OLYMPOS and 1 ATLAS package)

Revenue:	(1 * EUR 50,000 Olympos) + (1 * EUR 30,000 ATLAS)	=	EUR 80,000
Add. Services:	EUR 5,000 (personalized container) + EUR 3,000 (memorial video)	=	EUR 8,000
<b>Total Revenue:</b>	EUR 80,000 + EUR 8,000	=	<b>EUR 88,000</b>

**Year 2**

Assumption: 15 launches (mix of packages 5 OLYMPOS, 5 ATLAS, 3 GAIA, and 2 LEGACY)

Revenue:	5 * EUR 50,000 (O) + 5 * EUR 30,000 (A) + 3 * EUR 15,000 (G) + 2 * EUR 15,000 (L)	=	EUR 485,000
Add. Services:	Assume 30% of customers opt for add. services 4 * EUR 5,000 (personalized container) + 8 * EUR 3,000 (memorial video)	=	EUR 52,000
<b>Total Revenue:</b>	EUR 485,000 + EUR 52,000	=	<b>EUR 537,000</b>

**Year 3**

Assumption: 50 launches (assume more premium packages 15 OLYMPOS, 15 ATLAS, 10 GAIA, and 10 LEGACY packages)

Revenue:	15 * EUR 50,000 (O) + 15 * EUR 30,000 (A) + 10 * EUR 15,000 (G) + 10 * EUR 15,000 (L)	=	EUR 1,950,000
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Add. Services:	Assume 40% of customers opt for add. services	=	EUR 185,000
	20 * EUR 5,000 (personalized container) +		
	25 * EUR 3,000 (memorial video)		
<b>Total Revenue:</b>	EUR 1,950,000 + EUR 185,000	=	<b>EUR 2,135,000</b>

### 3.1.2 Cost of Goods Sold (COGS)

COGS includes variable costs such as launch operations, cremation services, and livestreaming.

#### Year 1: 2 launches

- Launch costs: 2 \* EUR 12,500 = EUR 25,000
- Cremation: 2 \* EUR 3,500 = EUR 7,000
- Livestreaming: 2 \* EUR 2,000 = EUR 4,000

**Total COGS: EUR 36,000**

#### Year 2: 15 launches

- Launch costs: 15 \* EUR 12,500 = EUR 187,500
- Cremation: 15 \* EUR 3,500 = EUR 52,500
- Livestreaming: 15 \* EUR 2,000 = EUR 30,000

**Total COGS: EUR 270,000**

**Year 3:** 50 launches

- Launch costs:  $50 * \text{EUR } 12,500 = \text{EUR } 625,000$
- Cremation:  $50 * \text{EUR } 3,500 = \text{EUR } 175,000$
- Livestreaming:  $50 * \text{EUR } 2,000 = \text{EUR } 100,000$

**Total COGS: EUR 900,000**

### 3.1.3 Operating Expenses

Fixed costs include R&D, licensing, facilities, personnel, and marketing. On an annual basis the fixed costs are assumed as follows:

- R&D: EUR 2 million
- Licensing and regulatory compliance: EUR 500,000
- Facilities and equipment: EUR 1 million
- Marketing: EUR 250,000
- Personnel: EUR 750,000

**Total Fixed Operating Expenses per year: EUR 4.5 million**

### 3.1.4 Gross Profit and Net Profit

As a result from previous estimates, profits are assumed as follows:

**Year 1:**

- Revenue: EUR 88,000

- COGS: EUR 36,000
- Gross Profit: EUR 88,000 - EUR 36,000 = EUR 52,000
- Operating Expenses: EUR 4.5 million

**Net Profit:** EUR 52,000 - EUR 4.5 million = **-EUR 4.448 million**

**Year 2:**

- Revenue: EUR 537,000
- COGS: EUR 270,000
- Gross Profit: EUR 537,000 - EUR 270,000 = EUR 267,000
- Operating Expenses: EUR 4.5 million

**Net Profit:** EUR 267,000 - EUR 4.5 million = **-EUR 4.233 million**

**Year 3:**

- Revenue: EUR 2,135,000
- COGS: EUR 900,000
- Gross Profit: EUR 2,135,000 - EUR 900,000 = EUR 1,235,000
- Operating Expenses: EUR 4.5 million

**Net Profit:** EUR 1,235,000 - EUR 4.5 million = **-EUR 3.265 million**

## 3.2 Balance Sheet

The balance sheet outlines LERO's assets, liabilities, and equity over the three-year period.

**Assets:** Assets include both current assets (cash reserves, initial inventory of capsules) and long-term assets (manufacturing equipment, launch devices). These assets are projected to grow as investments in infrastructure and R&D yield long-term value.

**Liabilities:** Liabilities encompass both current and long-term debts, including any funding secured from investors. Additional liabilities may include deferred costs, rent, and operational loans.

**Equity:** Equity consists of initial investor funding through crowdfunding, venture capital, and other sources, contributing to the overall value of the company.

### 3.2.1 Assets

#### Year 1:

- Cash and cash equivalents from initial funding: EUR 1 million.
- R&D investments in the capsule and balloon systems: EUR 2 million.
- Facilities and equipment (Italy and Liechtenstein): EUR 1 million.
- **Total Assets: EUR 4 million.**

#### Year 2:

- Cash flow from ongoing operations: EUR 1 million.
- Continued R&D investments: EUR 2 million.
- Facilities and equipment: EUR 1 million.

- **Total Assets: EUR 4 million.**

**Year 3:**

- Cash reserves from increased revenue: EUR 2 million.
- Long-term investments in infrastructure and technology: EUR 3 million.
- Facilities and equipment: EUR 1 million.
- **Total Assets: EUR 6 million.**

### 3.2.2 Liabilities

**Year 1:**

- Initial loans and liabilities from start-up operations: EUR 1 million.
- Operating liabilities: EUR 1 million.
- **Total Liabilities: EUR 2 million.**

**Year 2:**

- Ongoing liabilities for operations and scaling: EUR 1.5 million.
- Operating liabilities: EUR 1 million.
- **Total Liabilities: EUR 2.5 million.**

**Year 3:**

- Liabilities from ongoing expansion and investments: EUR 2 million.
- Operating liabilities: EUR 1.5 million.
- **Total Liabilities: EUR 3.5 million**

### 3.2.3 Equity

**Year 1:**

- Equity raised from crowdfunding, venture capital, and investors: EUR 2 million.
- **Total Equity: EUR 2 million.**

**Year 2:**

- Equity from additional funding sources as the company scales: EUR 1.5 million.
- **Total Equity: EUR 3.5 million.**

**Year 3:**

- Additional equity raised from business growth and new funding sources: EUR 2.5 million.
- **Total Equity: EUR 6 million.**

## 3.3 Cash Flow Statement

The cash flow statement reflects the inflows and outflows of cash within LERO's operations, investments, and financing activities.

**Operating Cash Flow:** Projected to grow as revenue from customer bookings increases and costs stabilize. This category includes income from customers minus operational expenses (salaries, materials, marketing).

**Investing Cash Flow:** Outflows related to infrastructure development, such as the continued refinement of the capsule and balloon technology, and scaling production capacities.

**Financing Cash Flow:** Inflows from crowdfunding campaigns, venture capital, or other investor funding. This section tracks how much capital is raised and utilized to finance growth.

### 3.3.1 Operating Cash Flow

#### Year 1:

- Cash generated from operations (2 launches): EUR 88,000.
- Net cash outflow due to heavy investment in R&D, staffing, and operations.
- Net Operating Cash Flow: -EUR 4.4 million.

#### Year 2:

- Cash generated from operations (15 launches): EUR 537,000.
- Net cash outflow decreases as revenue grows and fixed costs stabilize.
- Net Operating Cash Flow: -EUR 4.2 million.

#### Year 3:

- Cash generated from operations (50 launches): EUR 2.135 million.
- Net cash flow improves as the business nears profitability.

- Net Operating Cash Flow: -EUR 3.2 million.

### 3.3.2 Investing Cash Flow

#### Year 1-3:

- Significant outflows are projected for R&D (EUR 2 million annually), and facilities and equipment (EUR 1 million annually).
- Total Investing Cash Flow: EUR 3 million annually.

### 3.3.3 Financing Cash Flow

#### Year 1:

- Inflows from crowdfunding and venture capital funding: EUR 2 million.
- Net Financing Cash Flow: EUR 2 million.

#### Year 2:

- Additional funding from investors as the company scales: EUR 1.5 million.
- Net Financing Cash Flow: EUR 1.5 million.

#### Year 3:

- Continued inflows from venture capital and new investment sources: EUR 2.5 million.
- Net Financing Cash Flow: EUR 2.5 million.



LERO's financial projections illustrate the gradual progression from heavy R&D investment in the early stages to revenue growth and scaling in the second and third years. While the initial phases show a net loss due to significant upfront investments, the company is positioned to reach profitability as operations expand and additional revenue streams are realized.

## 4 BREAK-EVEN POINT CALCULATION

The break-even point for LERO is a critical milestone that represents the number of launches required to cover all fixed and variable costs. Based on an average price of **EUR 40,000** per launch and annual fixed costs of **EUR 4.5 million**, LERO will need to conduct **205 launches** to break even. This calculation factors in direct variable costs, such as launch operations, cremation services, and livestreaming, which amount to **EUR 18,000** per launch.

Herewith is the detailed calculation:

### Inputs

#### Fixed Costs:

- Research & Development: EUR 2 million
- Licensing and Regulatory Compliance: EUR 500,000
- Facilities and Equipment: EUR 1 million
- Marketing: EUR 250,000
- Personnel: EUR 750,000

**Total Fixed Costs: EUR 4.5 million annually.**

**Price per Unit:**

For simplicity, an average price based on the service packages is used. Blending the packages, the average price is assumed to be **EUR 40,000**.

**Variable Cost per Unit:**

The variable cost includes launch operations, cremation services, and livestreaming.

Average variable costs per launch:

- Launch Operations: EUR 12,500
- Cremation Services: EUR 3,500
- Livestreaming: EUR 2,000

**Total Variable Cost per Unit: EUR 18,000.**

**Break-even Point Calculation**

$$\text{Break-even Point (in units)} = \frac{4,500,000}{40,000 - 18,000} = \frac{4,500,000}{22,000} = 204.55 \text{ launches}$$

**Result**

LERO would need to perform 375 launches to break even, assuming an average price of EUR 30,000 per launch and total fixed costs of EUR 4.5 million per year.

This break-even point underscores the importance of scaling operations over the first few years, while leveraging LERO’s premium pricing model to accelerate the path to profitability.

**Please Note:** The figures and projections used in LERO's financial calculations are based on a combination of industry benchmarks, publicly available data, and internal research. The R&D costs and facility setup estimates are derived from aerospace industry standards and real estate reports specific to Liechtenstein and Italy. Salary estimates are based on data from platforms like Payscale and Glassdoor, while employer contributions follow the standard rates for Italy and Liechtenstein. Marketing and web development costs have been adjusted based on typical expenditures for premium tech start-ups, considering SEO, SEM, and digital advertising costs.

Revenue projections are informed by the pricing strategy and package structures, while variable costs, including launch operations and cremation services, reflect average costs associated with aerospace operations and external service providers. These numbers are subject to refinement as LERO develops partnerships and scales its operations.

## KEY FINANCIAL TAKEAWAYS

### 1. Start-up Investment

LERO requires an initial investment of **EUR 5.1 to EUR 7.2 million**, covering R&D, facilities, staffing, travel, marketing, and professional fees.

### 2. Revenue Strategy

LERO's revenue will come from four service packages, ranging from **EUR 15,000 to EUR 50,000** upwards, with additional services like bioglitter.

### 3. Cost Structure

Fixed costs total **EUR 4.5 million** annually, while variable costs average **EUR 18,000** per launch.

### 4. Break-even Point

LERO will need **205 launches** at an average price of **EUR 40,000** to break even.

### 5. Financial Growth

Over three years, LERO aims to reach **50 launches** and approach profitability as revenue grows and fixed costs stabilize.

